

## ELEMENTARY AND SECONDARY EDUCATION - SUMMARY OF KEY RECOMMENDATIONS

### STATE SCHOOL AID

The 2005-07 biennium executive budget recommendation provides a general fund appropriation of \$512,153,759 for state school aid, an increase of \$22,773,769, or 4.7 percent, from the 2003-05 appropriation of \$489,379,990. The recommended per student payment amounts are \$2,726 during the first year of the biennium and \$2,826 for the second year, which compares to past payment levels as follows:

Fiscal Year	Per Student Payment	Increase From Prior Year	Percentage Increase From Prior Year
1997-98 (appropriation)	\$1,954	\$92	4.9%
1998-99 (appropriation)	\$2,032	\$78	4.0%
1999-2000 (appropriation)	\$2,145	\$113	5.6%
2000-01 (appropriation)	\$2,230	\$85	4.0%
2001-02 (appropriation)	\$2,287	\$57	2.6%
2002-03 (appropriation)	\$2,347	\$60	2.6%
2003-04 (appropriation)	\$2,509	\$162	6.9%
2004-05 (appropriation)	\$2,623	\$114	4.5%
2005-06 (recommendation)	\$2,726	\$103	3.9%
2006-07 (recommendation)	\$2,826	\$100	3.7%

In relation, the executive budget recommendation provides for changes in the calculation of school district weighting factors used for the calculation of weighted student units and the distribution of state school aid, including the consolidation of school district-size categories and the increase of weighting factors so no factor is set below 1.0.

### TEACHER COMPENSATION

The executive budget recommendation provides \$50,912,120 from the general fund for teacher compensation payments, a decrease of \$941,880, or 1.8 percent, from the 2003-05 appropriation of \$51,854,000. The funding continues the current level of teacher compensation payments of \$1,000 for first-year teachers and \$3,000 for second-year returning teachers. Section 5 of House Bill No. 1153 provides that each school district shall use an amount equal to at least 70 percent of all new money received for per student payments and tuition apportionment for the purpose of increasing the compensation paid to teachers.

### SPECIAL EDUCATION

The executive budget recommendation provides \$52,500,000 from the general fund for special education grants, an increase of \$2,601,305, or 5.2 percent, from the 2003-05 appropriation of \$49,898,695. Section 6 of 2005 House Bill No. 1013 provides legislative intent that the special education appropriation be distributed as follows:

- \$15,500,000 to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities (\$2,500,000 more than the amount appropriated for the 2003-05 biennium).
- \$400,000 to reimburse school districts or special education units for gifted and talented programs (no change from the amount appropriated for the 2003-05 biennium).
- \$36,600,000 to distribute on a per student basis pursuant to North Dakota Century Code (NDCC) Section 15.1-27-10 (\$101,305 more than the amount appropriated for the 2003-05 biennium).

## TUITION FUND

The executive budget recommendation includes tuition fund distributions of \$71,600,000, an increase of \$2,104,629, or 3 percent, from the 2003-05 appropriation of \$69,495,371. The recommended appropriation will provide payments of approximately \$351 per census unit, an increase of \$16, or 4.8 percent, from the 2003-04 and 2004-05 appropriated payment of \$335.

## OTHER RECOMMENDATIONS

The executive budget recommendation also provides for:

- **Revenue supplemental payments** - The executive budget recommends **\$7.5 million** from the general fund for revenue supplemental payments to school districts pursuant to NDCC Section 15.1-27-11, an increase of \$2.5 million from the 2003-05 appropriation of \$5 million.
- **Reorganization bonuses** - The executive budget recommends including **\$500,000** from the general fund for reorganization bonus payments, the same level of funding provided in the 2003-05 biennium.
- **Joint powers incentives** - The executive budget includes a **\$2 million** general fund appropriation for incentives to school districts entering into joint powers agreements to encourage school district cooperation and efficiency.
- **Governor's school program** - The executive budget recommends increasing the general fund appropriation for support of the Governor's school program by **\$45,000**, from \$225,000 to \$270,000, for the creation of a Governor's school for the arts.
- **National writing projects** - The executive budget recommends increasing the general fund appropriations for the Red River Valley Writing Project and the Northern Plains Writing Project by **\$40,000**, from \$48,000 to \$88,000.
- **North Dakota Museum of Art** - The executive budget recommends increasing the general fund appropriation for support of the North Dakota Museum of Art educational outreach initiative by **\$125,000**, from \$125,000 to \$250,000.
- **North Dakota LEAD Center** - The executive budget recommends increasing the general fund appropriation for support of the North Dakota LEAD Center by **\$21,500**, from \$215,000 to \$236,500.
- **Other grants** - The executive budget recommends increasing federal funding for other grants by approximately **\$25.3 million**, or 14.1 percent, from the 2003-05 appropriation of \$179.2 million, including an increase of \$9.8 million for Title I basic grants, \$4.6 million for 21st century community learning centers, \$4.1 million for IDEA Part B special education grants, and \$3.8 million for Title II teacher and principal training and recruiting grants.
- **Contingent state school aid distributions** - The executive budget recommends that any state school aid funds remaining unspent at the end of the 2005-07 biennium will be distributed as follows:
  - The first \$900,000 as reorganization bonus payments to school districts pursuant to NDCC Section 15.1-12-11.1 and reorganization bonus advanced payments pursuant to Section 15.1-12-11.2.
  - Any remaining amount as additional per student payments.